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Attached is post's submission for the Algeria 2005 Investment Climate Statement (ICS). The ICS text is being emailed in its Country Commercial Guide format, with active URL links, to EB/IFD/OIA as per reftel request.

Begin text.

Algeria 2005 Investment Climate Statement

Summary

Algeria,s market of 32 million inhabitants and its growing demands for modern infrastructure have generated immense interest from governments and companies around the world. A modern legislative framework, Algeria,s continued progress in the WTO accession process, and the 2005 ratification of an EU Association Agreement that will gradually lower trade barriers over 12 years all indicate that the Algerian market is willing and ready to accept foreign investment across most sectors.

There are practical obstacles to investing in Algeria, most notably the lack of a modernized banking sector and a large, "legacy" bureaucracy which presides over a broader patchwork of business and investment rules and regulations. The government of Algeria has announced plans to privatize some of the public banks over the coming year as a first step to reform the banking and financial industry and make it conform to international standards, which will facilitate the establishment of businesses in Algeria. The government's sizable bureaucracy means that it can still take much time and energy to set up a business in Algeria, even for seasoned multinationals.

This Investment Climate Statement provides a general outline of the most recent developments in Algeria,s investment codes, and highlights some of the major policies, events, and statistics that would be of interest to the U.S. business and investment community.

Openness to Foreign Investment

Seeking to diversify and modernize the Algerian economy, the Algerian government has embarked on an aggressive liberalization program to attract foreign direct investment. New legislation continues to affect nearly all sectors, including mining, power, banking, telecommunications, pharmaceuticals, transportation, and tourism. While there are still many bureaucratic hurdles to starting a business in Algeria, the investment code clearly lays out the rules for investors.

Algeria has a legislative framework for encouraging investment. In 1993, the government adopted its primary investment code under legislative decree No 93-12, guaranteeing investment advantages, free transfers of income, and equal treatment for domestic and foreign investors. In August 2001, the government adopted a new ordinance No. 01-03 to further develop and promote investment, replacing the legislative decree No. 93-12.

There are three national organizations responsible for investment guidance and policy. The first is the National Agency for Investment Development (ANDI) (http://www.andi/dz), which is responsible for facilitating investments, granting fiscal and parafiscal exemptions, conferring investment advantages, and assisting investors to receive special authorizations for unique investments. ANDI has a network of regional offices throughout Algeria to assist investors.

The second organization is the National Investment Council (CNI), which was created to strengthen the legal and regulatory investment framework. The CNI is in charge of defining the investment strategy and its priorities, for approving special investment incentives in each sector, and for giving final authorization to special investment schemes.

The third organization is the Ministry for Participation and

Promotion of Investment. The Minister for Participation and Investment Promotion (MPPI) (http://www.mdppi.dz/) manages two distinct offices within the Ministry, one for investment policy and the other for the privatization process. MPPI is coordinating the on-going privatization of state-owned companies, organized by sector into groupings managed by "participation management companies" (socits de gestion de participation, SGP). The government has refocused its efforts on large-scale privatization in order to remove itself from supporting loss-making enterprises.

An earlier privatization program was launched in 1995 under law No. 95-22 and came into effect in 1998. The law lacked transparency and created procedural difficulties for evaluating state-owned firms and the modalities of privatization. In August 2001, a new privatization law was passed aiming at accelerating the privatization of public enterprises in Algeria. The government,s intention is to privatize the remaining 1,200 state-owned enterprises.
In March 2005, the Algerian parliament adopted a new law to further liberalize the hydrocarbons sector. This new law separates the commercial role of Sonatrach (http://www.sonatrach-dz.com/), the state-owned hydrocarbons company, from its previous regulatory and procurement/contracting functions. (An early version of the law is available in English at http://www.mem-algeria.org/ legis/prem hydroc.htm. The official published Arabic version is available at http://www.mem-algeria.org/fr/ legis/hydrocarbures-5-7-ar.pdf.)

Sonatrach is now required to bid on domestic projects alongside foreign firms; it will no longer be an automatic partner in all projects. In tenders that Sonatrach does not win, the company will retain a right to exercise an option of 20-30% of the equity of the project, allowing it to become a regular stakeholder with the same responsibilities. The Regulatory Agency for Hydrocarbons (ARH) will monitor compliance by foreign firms with various health, safety, and environmental regulations as well as use of the pipeline transport system. A new contracting organization, the National Agency for Contracts (or "ALNAFT"), will be responsible for bidding, concluding and supervising contracts with engineering and procurement (E&P) investors. These reforms will enable Algeria to encourage greater foreign investment in oil and gas, leading to greater production capacity.

Conversion and Transfer Policies

Algeria began liberalizing its foreign trade in 1991, at which time the Algerian dinar (officially the Dinar Algerien, or "DA") became fully convertible for all commercial transactions. Only registered economic operators may have access to foreign currency to make payments, which are subject to domiciliation rules. In 1995, the rules were modified to permit payments in foreign currency for individual Algerian citizens for special medical needs, education, and, since 1997, a very limited amount (DA 15,000 per year, or about $200) for travel abroad. This limited exchange capability has created a highly visible black market.

The same transfer procedures apply to both goods and services, including insurance, transportation, maintenance, technical assistance, and even training contracts. However, for other categories of services, transfers can be more difficult and usually require several justifications and permissions from the Bank of Algeria (La Banque d,Algerie, which is the nation's central bank).

Algerian exporters must repatriate their receipts and can only convert 50% of those receipts into hard currency.

The Central Bank (http://www.bank-of-algeria.dz/) controls foreign exchange and manages Algeria,s foreign exchange reserves. Transfers of revenue can sometimes be problematic, such as in the case of franchising revenue. Residents are prohibited from making hard currency transfers abroad of revenues from certain activities, including areas such as investment property income. However, it is possible to obtain authorization from the Central Bank to transfer funds abroad to conduct activities that support business activities in Algeria.

According to the investment code and the 2003 Law on Money and Credit (ordinance No. 03-11), foreign investors are allowed to repatriate their profits within 60 days, even if revenues exceed the original amount invested. Foreign workers in Algeria can transfer a portion of their salaries abroad (generally about 50%). Due to the inefficiency of the banking system, it may take longer than the legally-mandated 60 days to obtain official permission from the central bank,s General Directorate of Exchange to make transfers/payments.

These strict foreign exchange controls serve to restrict the movement of capital and prevent illegal activities (such as money laundering). The controls are also intended to maintain a balance of payment during oil price shocks, since some 98% of the nation,s hard currency comes from exports of hydrocarbons.

Expropriation and Compensation

The government of Algeria has not engaged in expropriation actions against U.S. or other foreign firms, nor have they otherwise discriminated against foreign firms.

Dispute Settlement

Algeria is a signatory to the convention of the Paris-based International Center for the Settlement of Investment Disputes (http://www.worldbank.org/icsid/). Algeria has ratified its accession to the New York Convention on arbitration (http://arbiter.wipo.int/arbitration/ny-convention/index.html) and is a member of the Multilateral Investment Guarantee Agency (http://www.miga.org/). The Code of Civil Procedures allows both private and public sector companies full recourse to international arbitration. Algeria permits international arbitration clauses. With more than 400 legislative and regulatory texts, investors consider the Algerian commercial law difficult to understand, leading investors to rely on local counsel and agents to ensure compliance with all procedures and rules. The government of Algeria is revising its commercial law to conform to WTO requirements.

Performance Requirements and Incentives

For an investment to be considered foreign, it must meet a minimum threshold level of foreign equity relative to the total value of the investment. For investments less than or equal to $25,000, the threshold is 15%. For investments between $25,000 and $125,000, the threshold is 20%. For investments greater than $125,000, the threshold is 30%. The central bank monitors all foreign direct investment involving foreign currency transactions.

Incentives under the new investment code are offered on a case-by-case basis by the approval of the National Investment Council. General incentives may include:

-- Exemption from property taxes;
-- Exemption from corporate income taxes;
-- VAT exemption for goods and services directly related to the investment; and
-- Exemption from transfer taxes for real estate purchases directly related to the investment.

In addition to the above mentioned incentives, special incentives are also offered for investments in special development zones and for privileged investments that utilize environmentally-friendly or energy saving technologies.

Special incentives may include:

-- Partial or total state funding for infrastructure investments;
-- Application of reduced customs duties on imported goods directly related to the investment;
-- Exemption for ten years from the corporate income tax (IBS), Gross Income Taxes (IRG), flat rate payment (VF) and Tax of Professional Activity (TAP);
-- Exemption for ten years from property taxes; and
-- Additional incentives to improve or facilitate the investment, such as the carry-forward of losses and depreciation.

Additional incentives may be offered to companies whose production and investment are export-oriented.

Right to Private Ownership and Establishment

Foreign and domestic private entities may establish and own businesses as well as engage in all forms of business activity. Private entities may freely establish, acquire and dispose of interest in business enterprises. Private enterprises have equal status with public enterprises and compete on an equal basis with respect to access to markets, credit, and business operations.

Protection of Property Rights

As part of Algeria's negotiations for WTO accession, the government adopted new laws in July 2003 for copyright and related rights, trademarks, patent and integrated circuits. To reinforce existing laws, three decrees related to trademarks, patents and integrated circuits were adopted in ¶2004. These laws are in compliance with the WTO,s TRIPS Agreements.

Algeria is a signatory of the Paris Industrial Property Convention on Copyrights, the Berne convention for the protection of literary and artistic works, as well as the Madrid Arrangement and Lisbon Agreement for the protection of appellations of origin and their international registration. As of May 2005, Algeria intended to ratify the 1996 WIPO Copyright Treaty (WCT) and the WIPO Performance and Phonograms Treaty (WPPT) during the course of 2005. Patents, copyrights, trademarks and integrated circuits are currently protected under 2003 laws, industrial designs and models under 1966 laws, and appellations of origin under 1976 laws.

The Government introduced a new order on July 15, 2002, (article 22 of the Customs Code) which seeks to stop the entry of counterfeit goods at ports and borders.

Sector Specific Comments:

Pharmaceuticals: Current laws do not provide data exclusivity protection for pharmaceutical products/molecules. The government,s official policy is to encourage the domestic production of generics. There are concerns that Algeria does not properly recognize registered patents and protect them from premature generic competition.

Software: To stop the use of non-licensed software within government and other public entities, the Prime Minister circulated a February 2005 directive to prevent government use of pirated software and initiated a formal software licensing process through procurement channels. The National Algerian Institute for Industrial Property (INAPI) administers patents, trademarks, integrated circuits, appellations of origin, design and industrial models, and geographical indicators. The National Copyright Office (ONDA) administers copyrights and related rights.

While the legal framework for intellectual property rights (IPR) has improved, the enforcement of these rules is still generally inadequate due to lack of public knowledge about counterfeiting and a lack of training in the customs services and the judiciary. Few foreign firms have sought legal recourse, which would require establishing the patent, trademark, or copyright in Algeria before filing suit. As a result, counterfeiting is common, especially in cosmetics, automotive aftermarket products, computer hardware components and software, some consumer and food products (such as shampoo and baby formula), and even medicine. In software, only an estimated 20% of users pay licensing fees. The Business Software Alliance estimates software piracy in Algeria to be 84% (2003 data). (For comparison, the BSA estimated software piracy in Morocco and Tunisia to be 73% and 82% respectively.) According to Algeria's ONDA, the piracy rate for music and video works on cassette is about 37%, and has been estimated to be 87% for CDs. Solid piracy statistics are difficult to gather.

The anti-counterfeiting office within the Ministry of Commerce operates through seven regional offices. In 2004, more than 10 informal marketplaces were replaced gradually by authorized public markets. The same year, 100 counterfeit claims were registered, half of which were brought before the courts.

To reinforce inter-agency cooperation, ONDA has prepared a draft decree proposing the creation of an inter-agency National Council on Counterfeiting and Piracy with representatives from Customs, Police, and the Ministries of Commerce, Interior, Justice, and Finance, among others.

The government of Algeria is working with U.S. firms in Algeria, the Business Software Alliance, and the U.S. government to reduce the rate of counterfeiting in Algeria through seminars and specialized training programs for judges and customs officials. In 2004, a private "business protection group" led by major U.S. companies in Algeria and other foreign firms was created to fight counterfeiting.

Transparency of
Regulatory System

The government adopted a new directive in July 2003 to define the conditions of competition practices in the market and prohibit restrictive practices.

Created in 1995, the Competition Council continues to play a role in the regulatory system. Reporting to the Head of Government, the group makes proposals and recommendations,

including provisions for sanctions, to maintain a competitive market system. The Council also regulates prices for some goods and services that are considered strategic (such as prices for bread), but otherwise allows prices to be freely determined by market forces. Energy prices will eventually be freely set by the market over a gradual period, beginning after the passage of the hydrocarbons reform in 2005. In other sectors, such as telecommunications, Algeria is moving toward a more transparent regulatory system. Regulation of the health sector, particularly pharmaceuticals, is not transparent.

Efficient Capital Markets and Portfolio Investment

The banking and financial market has been open for private and foreign investment since 1995. In 2003, the Government adopted a new law on money and credit and has since engaged in a reform program to improve the underdeveloped banking and financial systems.

The banking system continues to be dominated by the six major public banks, although there are about 10 foreign, 3 private banks, and 8 other financial institutions operating in Algeria (http://www.bank-of-algeria.dz/ banque.htm). The number of private banks, however, continues to dwindle as managers come under scrutiny for improper actions and banks struggle to keep pace with changes in the banking law, such as exchange reserve requirements.

In 1996, the central bank started open market operations with the establishment of an inter-banking currency exchange market. This market is widely dominated by the intervention of the central bank that is the sole supplier of hard currency for the partially-convertible Algerian dinar. To improve the payment system, the central bank is introducing a real time gross settlement (RTGS) system with World Bank assistance.

The Treasury Bond market was initiated in 1995. The Algerian Treasury authorized 13 primary dealers (called "SVT"), including state-owned banks, state-owned insurance companies, and one private insurance company (Citigroup). In 2004, Algerie Clearing, a joint stock company, was officially established as the central depository for all securities in Algeria. Algerie Clearing monitors a computerized settlement and delivery system.

The stock exchange was established in 1998 but remains in an embryonic stage, with only four companies listed: Saidal Group, Eriad Setif, and the El Djazair and El Aurassi Hotels. As part of the Government,s ambitious privatization program, 11 other state-owned companies are expected to trade on the stock exchange.

To absorb the over-liquidity in the market estimated at $10.0 billion, some stated-owned companies including the national airline Air Algerie, the state-owned hydrocarbons giant Sonatrach, the state-owned energy utility Sonelgaz, and an assortment of others, have launched corporate bonds to finance their development projects.

Political Violence

Political violence continues to recede following the peaceful April 2004 reelection of President Bouteflika to a second 5-year term. The government,s dual approach to reducing the terrorist threat through military engagement and a general amnesty plan has achieved significant results. While security conditions are stable in the capital city and other major cities, the U.S. Embassy in Algiers maintains a high level of security, and security preparation must be considered when doing business in Algeria. Visitors should read the State Department,s Consular Information Sheets and Travel Advisory before traveling to Algeria, at http://travel.state.gov/.

Corruption

Fighting corruption is a priority for the Algerian government. In January 2005, an anti-corruption bill was adopted by the Government Council and was passed by both Parliament and the Senate in June 2005. The law reinforces existing legislation to comply with the U.N. Convention against Corruption, which Algeria ratified on August 25, ¶2004. The law contains five main provisions to promote transparency in government and public procurement and also introduces new crimes such as illicit enrichment. It will also reinforce existing penal sanctions and allow for the creation of a national organization to design and implement a national anti-corruption strategy. In April 2005, the

Ministry of Justice investigated 40 judges for corruption and abuse of power, dismissing eight of them. Similar actions were taken in the Customs office.

Algeria is not a financial center and the extent of money laundering through formal financial institutions is believed to be minimal because of stringent exchange control regulations and an antiquated banking sector. Despite money laundering controls, official statistics show that approximately 500 million Euro leave the country illegally every year in part due to over-invoicing.

On January 5, 2005, the government adopted a new law pertaining to money laundering and terrorist financing to comply with international standards and measures against organized crime. The new law will require the use of checks, rather than cash, above a certain sum as yet unspecified. It also requires banks to verify the identities and addresses of clients before opening bank accounts or completing any transactions. The legislation gives wide-ranging powers to the banking commission of the Bank of Algeria (the central bank). In an effort to fight money laundering and terrorism financing, a Financial Intelligence Unit (CTRF) was established in 2002.

The Transparency International Corruption Perception Index (CPI) for 2004 ranked Algeria number 97 out of 145 countries.

Algeria is a signatory of the OECD Convention to Fight Bribery.

The following is a link to the Department of State's 2005 International Narcotics Control Strategy Report, whose Part II on Money Laundering includes a chapter on Algeria: http://www.state.gov/g/inl/rls/nrcrpt/2005/vo l2/

Bilateral Investment Agreements

On July 13, 2001, the U.S. and Algeria signed a Trade and Investment Framework agreement (TIFA) to create a forum for involved discussion. The first TIFA Council meeting was held in Algiers on April 8, 2001, and the second one was held in Washington D.C on December 2-3, 2004. The discussions could eventually lead to a Bilateral Investment Treaty (BIT) and a Free Trade Agreement.

In December 2001, Algeria and the EU concluded negotiations on the Association Agreement that was ratified by the Algerian Senate on March 31, 2005 and, as of May 2005, by all but one of the EU member state parliaments. The Association Agreement (http://europa.eu.int/comm/ external relations/algeria/ docs/index.htm) will commit both sides to further liberalization of bilateral trade and is intended to make Algerian businesses and consumers benefit from the development of trade and investment ties. The Agreement provides for the gradual removal of import duties on EU industrial products over twelve years, and removes duties immediately on 2,000 other products. The Agreement will lay an important foundation for economic liberalization in Algeria. It also provides for an exchange of concessions regarding trade in services. On December 12, 2002 a joint declaration of cooperation was signed between the European Free Trade Association (EFTA, http://www.efta.int/) with the European Union providing for expanded and liberalized trade with EFTA members Iceland, Liechtenstein, Norway and Switzerland.

Algeria has signed bilateral investment agreements for the protection and promotion of investments with the following countries in the indicated years: Belgium/Luxembourg (1991), Italy (1991), France (1993), Romania (1994), Spain (1994), China (1996), Germany (1996), Jordan (1996), Mali (1996), Vietnam (1996), Egypt (1997), Bulgaria (1998), Mozambique (1998), Niger (1998), Turkey (1998), Denmark (1999), Yemen (1999), Czech Republic (2000), Greece (2000), and Malaysia (2000). There is no bilateral investment treaty between Algeria and the United States. Prospects for a U.S.-Algeria BIT were discussed at the December 2004 TIFA meetings.

Algeria has also signed bilateral treaties to prevent double taxation with the following nations: United Kingdom (1981), France (1982), Tunisia (1985), Libyan Arab Jamahirya (1988), Morocco (1990), Belgium (1991), Italy (1991), Romania (1994), Turkey (1994), Syrian Arab Republic (1997), Bulgaria (1998), Canada (1999), Mali (1999), Vietnam (1999), Bahrain (2000), Oman (2000), Poland (2000), Ethiopia (2002), Lebanon (2002), Spain (2002), and Yemen (2002). There is no double taxation treaty between Algeria and the United States.

In 1990, Algeria signed both investment protection and double taxation agreements with the Arab Maghreb Union (UMA) countries (Libya, Morocco, Mauritania and Tunisia).

OPIC and Other Investment Insurance Programs

The U.S. Overseas Private Investment Corporation (OPIC) (http://www.opic.gov/), the U.S. Export-Import Bank (Ex-Im) (http://www.exim.gov/), and the U.S. Trade and Development Agency (USTDA) (http://www.exim.gov) are increasing their support of U.S. trade and investment in Algeria.

Beyond the oil and gas sectors, Ex-Im is working on expanding its activities in sectors including telecommunication, capital equipment, and pharmaceuticals. Ex-Im Bank remains one of Algeria,s leading creditors. Its exposure in Algeria is USD 1.65 billion as of July 2004. In 2004, Ex-Im Bank expressed its readiness to make available to Sonatrach, the state-owned oil and gas company, a USD 1 billion credit facility intent for its five-year procurement plan. U.S. firms intent on bidding on tenders in the Algerian energy sector must inform Ex-Im of their wish to make a credit offer to Sonatrach, which Ex-Im then must authorize. For more details, please visit http://www.exim.gov/portals/ usexporter/index.cfm. In December, 2003, Ex-Im announced a USD 176 million long-term loan guarantee (U.S. content only) for the Skikda Power Project. Because of current high oil revenues, Sonatrach's need for financing applies more to large-scale, long-term projects than to short-term, small-scale procurements.

OPIC continues to evaluate projects in Algeria in 2005 for potential financing. In January 2005, OPIC approved $200 million in loans for Ionics (now part of G.E. Infrastructure: Water and Process Technologies), for a 25-year build-own-operate (BOO) seawater desalination project in downtown Algiers, Hamma district. OPIC will provide the loan to the project company, Hamma Water Desalination SpA (HWD), owned 70% by G.E. Ionics and 30% by the Algerian Energy Company (AEC) (http://www.aec.dz/). The project contracts were signed in Algiers on June 25, 2005.

Labor

Algeria,s labor code sets minimum work standards, including a minimum work age (16 years), a 40-hour workweek, and rates for overtime pay. Employers pay 26 percent of gross salaries in social security taxes, including provisions for both retirement and health/accident insurance.

To reduce labor costs, the government since 2001 has exempted employers from paying family allowances, estimated at USD 377 million. However, the government decided in 2005 that employers will pay these charges, but no timetable for implementation has been set.

Algeria,s labor force in 2003 was 8.7 million people. (The 2004 total population was 32.6 million, with annual population growth of 1.52%, down from 1.8% in 2003.) According to the National Office of Statistics, 63.8% of the population is under age 30. The monthly minimum wage was raised to DA 10,000 (USD $140) from DA 8,000 (USD $100) in ¶2004.

The Algerian labor market is very competitive given the depreciation of the Algerian currency since 1994. Reducing high unemployment rate and strengthening social protection is a key objective in the government,s reform program. According to Algerian official statistics, the unemployment rate decreased from 23.7% in 2003 to 17.7% in 2004, and the government expects it to reach 13% by 2005. However, some of the jobs included in this calculation are temporary and are funded mainly through government programs.

US companies have been able to hire trained technical staff. However, English speakers remain difficult to find. Arabic is the official language, and French is the de facto language of business. There are no restrictions on the number of expatriate supervisory personnel a company may bring. Entry visas for foreign workers must be requested through the Ministry of Employment and Social Solidarity (http://www.massn.gov.dz/). Foreign workers must then obtain work permits from the Ministry of Labor (http://www.mtss.gov.dz/) and a residency card from the local police office where they will be working. The Employer is responsible for submitting all tax payments for individual workers to the proper local tax collection authorities.

Algerian regulations allow foreigners to repatriate 50% of their salaries.

Algeria has ratified social security contribution conventions with France, Belgium, Romania, Tunisia and Egypt, effectively exempting workers from two different sets of social security taxes. There is no social security convention between

Algeria and the United States.

Foreign-Trade Zones/ Free Ports

On December 1, 2004, the government of Algeria signed an executive decree to dismantle its only free trade zone, at Bellara, in preparation for WTO accession. This zone had never been operational since its creation in 1997. Bellara has since been transformed into an industrial zone for regional development.

Foreign Direct Investment Statistics

According to Foreign Direct Investment (FDI) statistics released by the National Agency for Investment Development (ANDI), the total value of investment declarations in 2004 was $3.5 billion, of which $2.0 billion was in non-hydrocarbons areas.

The National Agency for the Development of Investment recorded 105 foreign investment projects in 2004, out of which 40 are partnership projects and the rest are 100% foreign owned. Foreign investment projects that contributed to this positive performance include the $260 million El Hamma desalination plant; the second GSM license awarded to the Kuwaiti company El Wataniya for $1.2 billion (of which $421 million is for the purchase of the license and the remainder for investment in equipment); and two cement plants (one by Swiss Olcim valued at $180 million and the second one by the Egyptian company Orascom Cement Algeria valued at $260 million). A third cement unit is underway for an investment of $190 million. Hotel chain Accor/Ibis has announced plans for 36 hotels across Algeria over the next 5 years. The value of the pharmaceuticals market is estimated at $850 million. Pfizer and the GlaxoSmithKline (UK) / Asac Pharma (Spain) partnership are the primary domestic investors.

Hydrocarbons FDI registered $1.8 billion in 2003, up from $671 million in 1999. This amount represents 10% of all FDI inflows in Africa (excluding South Africa). The state owned oil and gas company Sonatrach signed 8 contracts during 2004. Norwegian Statoil and the Australian firm BHP Billiton started production in 2003.

From 1999 to 2003, more than 50 foreign companies, in partnership with Sonatrach (State-owned Oil & Gas Company) invested $8.6 billion (of which 89.5% for field development and 10.5% for exploration). For exploration, U.S. firms are the most active with 35% of the market, followed by Italy (14%), Australia (9%), UK, Canada, Indonesia (8% each), France (7%) and the remaining for Russia, Spain and others. Field development projects worth USD 7.7 billion were conducted during this period by British, American, Australian, and Spanish companies.

Total FDI in the mining sector reached $33 million in 2003.

The U.S. Trade and Development Agency (http://www.ustda.gov/) has been actively involved in Algeria.

Web Resources

Algerian Government:

Algeria Energy Company (AEC): http://www.aec.dz/
Algerian Embassy in Washington, D.C.: http://www.algeria-us.org/
Bank of Algeria (central bank): http://www.bank-of-algeria.dz/
Ministry of Employment and Social Solidarity: http://www.massn.gov.dz/
Ministry of Energy and Mines: http://www.mem-algeria.org/
Ministry of Finance: http://finances-algeria.org/
Ministry of Labor and Social Security: http://www.mtss.gov.dz/
Ministry of Participation and Investment Promotion: http://www.mdppi.dz/
National Investment Development Agency: http://www.andi.dz/
Sonatrach: http://www.sonatrach-dz.com/

United States Government:

U.S. Department of State: http://www.state.gov.
-- (For travel information, please visit http://travel.state.gov/.)
U.S. Embassy Algiers: http://algiers.usembassy.gov/ (links to the Economic and Commercial Sections are contained within the link "Embassy News/About the Embassy")
U.S. Department of Commerce: http://www.export.gov/
Export Import Bank: http://www.exim.gov/
Overseas Private Investment Corporation (OPIC):

http://www.opic.gov/
U.S. Trade and Development Agency: http://www.ustda.gov/

Non-Governmental:

Business Software Alliance (BSA): http://www.bsa.org/
U.S.-Algeria Business Council: http://www.us-algeria.org/

International:

E.U. Association Agreement:
http://europa.eu.int/comm/ external relations/
euromed/med ass agreemnts.htm
European Free Trade Association (EFTA): http://www.efta.int/
IMF Algeria information: http://www.imf.org/external/
country/DZA/index.htm
International Monetary Fund (IMF): http://www.imf.org/
Multilateral Investment Guarantee Agency: http://www.miga.org/
United Nations Conference on Trade and Development:
http://www.unctad.org/
-- View the 2003 UNCTAD Investment Policy Report on Algeria
(in French) here:
http://www.unctad.org/fr/ docs/iteipc20039 fr.pdf
World Bank: http://www.worldbank.org/

Laws:

Hydrocarbons reform law (non-final English version):
http://www.mem-algeria.org/ legis/prem hydroc.htm.
Hydrocarbons reform law (final, official Arabic version):
http://www.mem-algeria.org/fr/legis/ hydrocarbures-5-7-ar.pdf

Conventions:

New York Convention on the Recognition and Enforcement of
Foreign Arbitral Awards http://arbiter.wipo.int/arbitration
/ny-convention/index.html
Paris-based International Center for the Settlement of
Investment Disputes: http://www.worldbank.org/icsid/

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